

## Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 NIC-01 AID-20 COME-00 EB-11 FRB-02 TRSE-00

XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 AGR-20

SAJ-01 DRC-01 /185 W

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R 141600Z MAR 74

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 6884

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E.O. 11652 N/A

TAGS EIND ECON UR

SUB: PRODUCTION ASSOCIATIONS: RESISTANCE TO THEIR CREATION  
CONTINUES

1. DECRYING HOSTILITY AND BUREAUCRATIC SLUGGISHNESS AMONG  
ECONOMIC MANAGERS TOWARD CREATION OF PRODUCTION ASSOCIATIONS,  
LEAD ARTICLE IN MARCH 14 PRAVDA CALLS FOR RENEWED EFFORTS  
BY PARTY ORGANIZATIONS TO SUPERVISE, AND THUS ACCOMPLISH,  
TRANSFORMATION TO NEW SYSTEM OF MANAGEMENT. AS EXAMPLE  
OF POSITIVE RESULTS TO BE OBTAINED FROM RESTRUCTURING,  
ARTICLE CITES EXAMPLE OF COAL INDUSTRY MINISTRY, WHERE  
CREATION OF ONE ASSOCIATION FROM EARLIER 35 SUB-DIVISION  
KOMBINAT RESULTED IN ELIMINATING 21,000 ADMINISTRATIVE JOBS  
AND SAVING OF 150 MILLION RUBLES.

2. UNFORTUNATELY, ARTICLE COMPLAINS, THIS IMPORTANT WORK  
LAGGING IN MANY MINISTRIES, WHICH PREFER TO RETAIN FORMER  
SYSTEMS OF GLAVKS AND MULTITUDE OF SMALL, INDIVIDUAL  
ENTERPRISES. SINGLED OUT FOR PARTICULAR CRITICISM ARE  
MINISTRY OF LIGHT INDUSTRY ("ONLY THE NAMES HAVE BEEN  
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CHANGED" IN MINISTRY'S DRAFT INDUSTRY REORGANIZATION),

MINISTRY OF MEAT AND DAIRY INDUSTRY (WHICH HAS PROPOSED ALLOWING DAIRY ENTERPRISES WITH LESS THAN 100 WORKERS TO REMAIN INDEPENDENT), AND MINISTRY OF THE FOOD INDUSTRY. PARTICULARLY IMPORTANT, ARTICLE'S AUTHOR CONTINUES, IS NEED TO OVERCOME "PSYCHOLOGICAL BARRIERS, ESTABLISHED TRADITIONS, AND CUSTOMS" AMONG BUREAUCRACY IN INDUSTRIAL MINISTRIES. CONTEMPORARY MANAGER IS OBLIGED EACH DAY TO MASTER SCIENCE OF MANAGEMENT, WIDEN HIS HORIZONS, BE CAPABLE OF PERFECTING PLANNING AND ORGANIZATION OF PRODUCTION, AND EXHIBIT PARTY APPROACH TO GIVEN TASK.

3. COMMENT: EMBASSY HAS PREVIOUSLY NOTED (MOSCOW A-25) LUKEWARM OR WORSE ATTITUDES AMONG ECONOMIC MANAGERS TO PROPOSED INDUSTRIAL REFORM AND SLOW PACE AT WHICH CHANGE OVER TAKING PLACE. BASIC PROBLEM REMAINS AS BEFORE: PERSONNEL OF GLAVKS IN MOSCOW FEAR EITHER A) LOSS OF CUSHY JOBS THROUGH BECOMING REDUNDANT (AS IN CASE OF COAL INDUSTRY REORGANIZATION CITED IN ARTICLE), OR B) HAVING TO TRANSFER AWAY FROM MOSCOW AND CLOSER TO LOCATION OF PRODUCTION UNITS. FROM OTHER END, FACTORY MANAGERS, FEARING LOSS OF AUTHORITY AND/OR AUTONOMY, ARE APPARENTLY FIGHTING FIERCELY TO KEEP FROM BEING SWALLOWED UP IN LARGER AMALGAMATIONS. RELIANCE ON PARTY TO OVERSEE AND, ESPECIALLY, CONTROL PROCESS OF INDUSTRIAL REORGANIZATION APPEARS TO BE STILL ANOTHER STEP TOWARD "POLITICALIZATION" OF ECONOMY DESCRIBED IN MOSCOW'S A-28. STOESEL

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, INDUSTRIAL PRODUCTION, BUSINESS FIRMS, REORGANIZATIONS, BUSINESS MERGERS, ECONOMIC RECONSTRUCTION  
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**To:** STATE  
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